



COUNTY OF SAN MATEO
CONCESSION AGREEMENT

No.5405

RESTAURANT CONCESSION AGREEMENT

between

COUNTY OF SAN MATEO,
As Landlord

and

Thieves' Market, LLC,
As Tenant

For the leasing of

Half Moon Bay Airport Terminal Building Restaurant
9850 Cabrillo Highway North
Half Moon Bay, California 94019

LEASE AGREEMENT NO. 5405

THIS LEASE AGREEMENT ("Lease or Agreement"), dated for reference purposes only as of November 1, 2019, is made by and between Thieves' Market, LLC, a limited liability company ("Tenant"), and the COUNTY OF SAN MATEO, a political subdivision of the State of California ("County" or "Tenant").

Tenant and County hereby agree as follows:

1. PROPERTY AND PREMISES

1.1. Property

County is the owner of the Half Moon Bay Airport, located at 9850 Cabrillo Highway North, Moss Beach, California, also known as Assessor Parcel Number 037-292-030 (the "Property").

1.2. Leased Premises

Landlord does hereby lease to Tenant and Tenant hereby leases from Landlord, subject to the provisions of this Lease, the premises known as the restaurant facility located inside the Airport Terminal Building, situated on a portion of the Property ("Premises"). The Premises consists of exclusive use of 1,442 square feet of restaurant and office area, and non-exclusive use of the common areas, including without limitation approximately 227 square feet of lobby area, approximately 296 square feet of restroom area, approximately 2,136 square feet of outside seating area, and the landscaped area adjacent the front entry. The Premises and all exclusive and non-exclusive use of the Premises are all shown in Exhibit A.

Nothing contained herein shall be construed to authorize Tenant's use of office space or land outside of the Premises as described, or any other facilities or privileges used for which County routinely charges (the "Airport Services"). Any use of Airport Services shall be by separate agreement at standard rates charged by County.

1.3. Relocation of Premises

Landlord and Tenant acknowledge that Landlord may, but is not required to, improve and/or replace the existing Airport Terminal Building in which the Premises are located during the initial Term or any Extended Term, as defined herein. In the event Landlord initiates a construction project to improve or replace the Airport Terminal Building during the term of this Lease Agreement, Landlord shall provide Tenant with sixty (60) days written notice, and include replacement space intended to be used by Tenant, or Tenant's successor, as a restaurant (the "Replacement Premises"). During construction, Landlord shall use all efforts to minimize disturbance to Tenant's business, and, upon completion of construction, Tenant shall have the first right of refusal to relocate its business to the Replacement Premises. Rent for the Replacement Premises shall be based on the same cost per square foot in effect for the Premises at the time of relocation.

Landlord shall not be responsible to compensate Tenant for Tenant's loss of use of the Premises, loss of revenue, or any inconvenience or annoyance as a result of such relocation; however, Tenant's rent shall be abated during any closures of Tenant's business resulting from Landlord's closure of the existing Airport Terminal Building for construction if no Replacement Premises are available. In the event Tenant chooses not to exercise its first right of refusal to lease the Replacement Premises, Tenant may terminate this Agreement on six (6) months written notice to Landlord, and neither party shall incur any liability therefor.

1.4. Parking

Tenant shall ensure that its vehicles and those of its agents and customers are parked in areas and locations as approved by the Landlord. Tenant shall have the non-exclusive use of the general parking areas of the Property for the reasonable use of its employees, invitees, and other guests. All such parking shall be subject to the County Airports Vehicle Parking Policy as updated from time to time. No vehicle offered for sale by Tenant shall be parked or stored in the general parking areas of the Property.

1.5. Common Areas of Airport Facility

Landlord shall allow Tenant use of facilities on the Airport, which are normally open to and usable by the public, subject to Airport rules and regulations. Non-exclusive use of the common areas of the Terminal Building and parking facilities, subject to the provisions of Exhibit C, Special Requirements/Conditions.

2. PURPOSE AND USE

Tenant shall have the right to use the Premises to operate, manage, maintain, and improve the restaurant and common areas as shown and described on Exhibit A hereof. Tenant shall have the obligation and the exclusive right to sell food and beverages, including beer, wine and other alcoholic beverages, which have been approved by County, on the Premises.

All food and beverages sold on the Premises shall comply in all respects with all applicable County, State and Federal food and beverage laws, ordinances and regulations. Tenant agrees to make all facilities, as well as all products and services provided at the Premises available to the public without discrimination and at reasonable rates.

Tenant has examined the Premises and determined that the Premises are suitable for the needs and operations of Tenant. Tenant hereby accepts the Premises in their AS IS condition and acknowledges that COUNTY makes no warranties or representations regarding the condition of the Premises or any of the improvements or fixtures attached thereto.

3. TERM

3.1. Term of the Lease

The term of this Lease shall be for an initial term ("Initial Term") of approximately five (5) years, effective on the date the Lease is fully executed by both Tenant and County (the "Possession Date"), and shall expire on October 31, 2024 (the "Expiration Date").

3.2. Extension Option

Tenant shall have the right to extend the Term of this Lease ("Extension Option") for one additional term of five (5) years ("Extended Term"). Such Extension Option shall be on all of the terms and conditions contained in this Lease except that the rent for the Extended Term shall be as set forth in Section 4.5, *Rental Adjustments*. Tenant may exercise the Extension Option by giving written notice to County no later than six (6) months and no earlier than twelve (12) months prior to expiration of the Term; provided, however, if Tenant is in material default under this Lease on the date of giving such notice and fails to cure such default as set forth in Section 26, *NOTICES*, County may reject such exercise by delivering written notice thereof to Tenant promptly after such failure to cure.

4. RENT

4.1. Initial Base Rent

Beginning on the Possession Date up to the date Tenant opens the Premises to the public for regular business hours, or by April 1, 2020, whichever date comes first, (the "Commencement Date") Landlord will grant the Tenant a period of discounted rent to complete the required Tenant Improvements and obtain necessary permits and licenses. The discounted rent shall be fifty-percent (50%) of the Base Rent identified in section 4.2 Base Rent, below. In the event Tenant opens doors to the public before April 1, 2020, Tenant shall notify Landlord in writing providing the date, therein documenting the Commencement Date, and rent shall be adjusted to the full Base Rent.

4.2. Base Rent

Beginning on the Commencement Date, Tenant shall pay to County during the Initial Term, the monthly base rent of \$2,332.00 ("Base Rent") on or before the first day of the first full calendar month of the term. The Base Rent is calculated based on the following:

\$1.10/ square foot	Restaurant and Office	1,442 sf.	\$1,586.20
\$0.30/ square foot	Outside seating area	2,136 sf.	\$640.80
\$0.20/ square foot	Restroom and Lobby Areas	523 sf.	\$105.00
Total monthly Base Rent:			\$2,332.00

The Base Rent shall be subject to adjustment as set forth in Section 4.5, *Rental Adjustments* hereof.

4.3. Utility Charge

Upon execution of this Lease, Tenant shall service all possible utilities in Tenants name, provided that the utility is metered solely for the Premises and pay for said utility at its sole cost

and expense. In the event a utility is serving portions of the Property outside of the Premises area, Tenant shall pay the prorated portion of that particular utility per month, in addition to the monthly rent payments ("Utility Charge"). Utility Charges shall be based on an annual average and shall be adjusted periodically to reflect actual usage and costs. Utility Charges include, but are not limited to, electricity, propane gas, water, and garbage.

In the event that utilities remain solely in the County's name, Tenants prorated portion of Utility Charges paid by Tenant for the first 90-days after the Commencement Date shall be One Thousand Dollars (\$1,000.00) per month. Beginning 120-days after the Commencement Date, Tenants prorated portion of Utility Charges shall be Two Thousand Four Hundred Dollars (\$2,400.00). The above referenced Utility Charges are calculated based on a prorated portion of 85-percent of the total Utilities for the Airport Terminal Building.

Monthly Utility Charge fees may be reviewed and adjusted periodically by the Landlord to accurately reflect the Landlord's associated costs. If Landlord's costs exceed the estimated Tenant Utility cost, Tenant shall, within thirty (30) days after the receipt of Landlord's expense statement, pay to Landlord (whether or not this Lease has terminated) the difference between the total amount of estimated utility fees paid by Tenant and Landlord's total actual costs. If the total amount paid by Tenant for any such utility cost exceeds Landlord's actual cost, such excess shall be credited against the next installments of utility cost due from Tenant to Landlord hereunder, or refunded to Tenant, at Landlord's option.

4.4. Payment of Rent

The Base Rent, Utility Charge and other amounts due hereunder are sometimes collectively referred to herein as "Rent." Rent for any period during the term hereof which is for less than one (1) month shall be a prorated portion of the monthly installment herein on a per diem basis, based upon a thirty (30) day month. Said rental shall be paid to Landlord at:

County of San Mateo
Department of Public Works, Airports Division
620 Airport Drive, Suite 10
San Carlos, CA 94070

or to such other person or at such other place as Landlord may from time to time designate in writing.

Landlord shall not be required to invoice Tenant for payment of rent or other fees due hereunder. Tenant shall be responsible for payment of all fees due without prior notice or demand. Any amount due which is not paid shall be subject to late fees per Section 4.4, *Late Charges*.

4.5. Late Charges

Tenant hereby acknowledges that Base Rent, Utility Charges or other sums due are considered late and delinquent if Landlord has not received payment within ten (10) days after the date said payment is due. Furthermore, Tenant hereby acknowledges that Landlord will charge a late charge equal to six percent (6%) of the total balance due at that time or Fifty

Dollars (\$50.00), whichever is greater ("Late Charge"). A Late Charge shall be applied for each month rent is delinquent. The parties hereby agree that such late charges represent a fair and reasonable estimate of the cost that Landlord will incur by reason of the late payment by Tenant. Acceptance of late charges by Landlord shall in no event constitute a waiver of Tenant's default with respect to such overdue amount, nor prevent Landlord from exercising any of the other rights and remedies granted hereunder.

Tenant agrees to pay Landlord a special handling charge of Fifty Dollars (\$50.00) for any check dishonored by the bank for any reason. This charge shall be added to and become part of Tenant's obligations hereunder, and shall be in addition to any charge for late payment provided for herein. Tenant agrees to pay Landlord immediately upon request any and all charges for dishonored checks.

In the event any two payments are delinquent in a twelve-month period, Landlord may require Tenant to make future payments quarterly in advance for a 24-month probationary period. If Tenant fails to make any payments on time during the probationary period, such failure shall constitute a default as defined in Section 14, *DEFAULT* of this agreement.

4.6. Rental Adjustments

Beginning on November 1, 2020, and on the 1st day of November of each year of the term of this Lease, including any Extended Term or holdover period as set forth herein, the Base Rent as set forth in Section 4.1, *Base Rent*, for the following twelve month period shall be adjusted to equal one hundred three percent (103%) of the Base Rent, rounded to the nearest dollar, for the lease year preceding such Adjustment Date.

4.7. JANITORIAL & LANDSCAPING SERVICES

Tenant shall provide janitorial services sufficient to maintain the entirety of the Premises, including but not limited to the restrooms and outdoor seating area, in a clean and well-maintained condition as set forth in Exhibit D, Standards or as approved in writing by County. If County determines that Tenant has failed to maintain the Premises consistent with Exhibit D, Minimum Standards, or as approved in writing by County, County shall provide written notice of specific violations. Tenant shall have thirty (30) days from receipt of such notice to dispute or correct listed violations, after which time, if Tenant fails to bring the Premises maintenance into compliance, County may provide such services at the Tenant's expense and invoice Tenant separately for such services.

Tenant shall be responsible for the maintenance and upkeep of all landscaping adjacent to Half Moon Bay Airport Terminal Building at Tenant's sole expense. Any alterations or additions to the existing landscaping shall be approved in advance by County. Landscaping may include hardscape or other suitable surfacing for the placement of tables, chairs, benches, outdoor cooking equipment or other items required for Tenants business activities. Tenant shall ensure that landscaping is maintained to standards reasonably acceptable to County. If County determines that Tenant failed to maintain property adjacent to the Premises, County shall provide written notice of specific violations, wherein Tenant shall have thirty (30) days from receipt of such

notice to correct the listed violations. If Tenant fails to bring landscaping into compliance, County may provide such services at Tenant's expense and invoice Tenant separately for those services.

5. TENANT IMPROVEMENTS

5.1. Premises Improvements

Within ninety (90) days of execution of this Lease with the County, and in no event later than the Commencement Date, the Tenant shall ensure that adequate wastewater pretreatment equipment is installed and maintained consistent with and approved by San Mateo County Environmental Health, San Mateo County Public Works, and other applicable agencies. All discharge from kitchen and/or bar equipment must pass through adequate pretreatment prior to entering the septic system/leech field. All maintenance of all lines connecting the Leased Premises (including the restrooms) to the septic tank/leech field shall be the responsibility of the Tenant.

Tenant shall be prepared to upgrade any existing grease trap/interceptor at their sole cost and expense. Standards for such systems can be found within Chapter 6 of San Mateo County Environmental Health's Onsite Wastewater Treatment System and the Onsite Systems Manual for implementation of the Standards.

Tenant shall be responsible for operating and maintaining any commercial hood located within the leased remises. The Tenant shall be responsible for completing any upgrades to the hood, ducts and fire suppression (Ansul) system as required by code and fire marshal within ninety (90) days following the execution of Lease, and in no event later than the Commencement Date.

The Tenant shall be responsible for all costs associated with the repair of plumbing stoppages and damage to the terminal building's sewer or septic system if oil, grease or other contaminant from restaurant facility are the cause or contributing factor to the stoppage or damage. Tenant shall provide regular maintenance of the grease traps and waste disposal systems.

The Tenant shall be responsible for any other improvements required to meet building health codes, kitchen codes, or other codes and/or requirements related to the operation of a restaurant.

5.2. Rent Credit for Initial Tenant Improvements

Within ninety (90) days following the execution of Lease, Tenant shall install new flooring, patch and paint walls within the Premises of quality, style, cost, and color as approved in writing by the Airport Manager on behalf of the County. Upon completion of the installation of the flooring and paint, Tenant shall submit to County proof of payment to the contractor, in a form reasonably acceptable to the County. Upon approval of said costs, County shall provide written authorization to deduct the cost of such installation from Base Rent due herein. In no event shall County authorize the deduction of Base Rent for approved Tenant Improvements by an amount that exceeds \$20,000.00.

6. ASSESSMENTS/TAXES

Tenant shall pay all federal, state and local taxes that are levied or required with respect to its operations and employees, such as, but not limited to, social security and workers' compensation. As between Tenant and Landlord, Tenant shall be responsible for the payment of all sales or excise taxes on its operation.

6.1. Possessory Interest Tax

Tenant recognizes and understands in executing this Lease that its interest in the Premises created herein may be subject to a "possessory interest tax" that the County Assessor may impose on such interest, and any such tax would be the liability of and be paid solely by Tenant in addition to Rent and other charges due hereunder. Tenant agrees to pay promptly when due, any possessory interest tax imposed on its interest in the Premises.

7. MAINTENANCE AND REPAIRS

Throughout the term of this Lease, Tenant shall, at Tenant's sole expense, maintain the Premises and any improvements (including windows, doors, interior walls and wall coverings, interior lighting, flooring, equipment, trade fixtures, drop ceiling support and tiles), building systems including hot-water heaters, plumbing, traps, grease traps and electrical systems within the Premises or related to Tenant's operation, except as specifically set forth as Landlord's responsibility, in good sanitary order, condition and repair, ordinary wear and tear excepted, and in accordance with all applicable laws, codes, rules, ordinances, orders and regulations of (1) federal, state, county, municipal or other governmental agencies and bodies having or claiming jurisdiction and all their respective departments, bureaus, and officials; (2) the insurance underwriting board or insurance inspection bureau having or claiming jurisdiction; and (3) all insurance companies insuring all or any part of the Premises, or improvements, equipment, and other personal property at the Premises. All repairs and maintenance shall be the sole duty of the Tenant and at the Tenant's sole expense.

Neither offensive or refuse matter, nor any substance constituting an unnecessary, unreasonable or unlawful fire hazard shall ever be permitted to accumulate or remain at the Premises. The Premises shall be kept at all times in an orderly manner to the complete satisfaction of Landlord. Tenant shall be responsible for the costs and coordination of all necessary pest and vermin control services within the Premises or related to Tenant's operation.

Tenant shall, upon the expiration or termination of this Lease, surrender the Premises to Landlord in good condition, ordinary wear and tear and damage from causes beyond the reasonable control of Tenant excepted.

7.1. Structural Repairs by Landlord

Landlord shall repair and maintain the common areas, walkways and exterior siding and trim of the building. Landlord shall also repair and maintain the roof, basic plumbing outside of the Premises, including the septic system and leech field, fixtures, traps, and drains outside of the Premises, electrical systems outside of the Premises and slab concrete installed or furnished by Landlord, unless the need for such maintenance and repairs is caused in part or in whole by the

act, neglect, fault or omission of any duty by Tenant, its agents, servants, employees or invitees, in which case Tenant shall pay to Landlord the reasonable cost of such maintenance and repairs. Landlord shall not be liable for any failure to make any such repairs or to perform any maintenance unless such failure shall persist for an unreasonable time after written notice of the need of such repairs or maintenance is given to Landlord by Tenant.

7.2. Alterations and Additions

Tenant shall not make any structural, electrical, plumbing or exterior alterations to the Premises without Landlord's prior written consent. Tenant, at its sole cost and expense, shall have the right to make, with Landlord's consent, alterations to the interior and exterior of the Premises that Tenant requires in order to conduct its business on the Premises. Tenant shall not be required to obtain permission from Landlord to make minor, non-structural alterations to Premises including interior and exterior painting, installation of display cases and cabinets, shelving, draperies, light fixtures, or other storage system or décor elements, and installation of office equipment and trade fixtures. In making any structural, electrical, or plumbing alterations to the Premises, Tenant shall comply with the following:

- a. Tenant shall submit detailed final plans and specifications and working drawings of the proposed alterations and the name of its contractor at least thirty (30) days before the date it intends to commence the alterations.
- b. The alterations shall not be commenced until ten (10) days after Landlord has received notice from Tenant stating the date the installation of the alterations is to commence so that Landlord can post and record an appropriate notice of non-responsibility.
- c. The alterations shall be approved by Landlord and all appropriate government agencies, and all applicable permits and authorizations shall be obtained before commencement of the alterations.
- d. All alterations shall be completed with due diligence in compliance with the plans and specifications and working drawings, applicable laws and airport construction requirements.
- e. Any alterations made shall remain on and be surrendered with the Premises on expiration or termination of this Lease, except that Landlord can elect within thirty (30) days before the expiration of the term, or within ten (10) days after termination of the term, to require Tenant to remove any alterations that Tenant has made to the Premises. If Landlord so elects, Tenant at its cost shall restore the Premises to the condition designated by Landlord in its election, before the last day of the term, or within thirty (30) days after notice of election is given, whichever is later. Alternatively, Tenant may request Landlord consider said alteration as a fixture to the Premises, and request written assurance from Landlord the alteration or fixture will not be required to be removed by Tenant at the end of the Term.

8. DAMAGE OR DESTRUCTION

If, during this Lease, any County-owned improvements that are a part of the Premises are damaged from any cause, rendering the Premises totally or partially inaccessible or unusable, either party may terminate this Lease by giving notice to the other party. If Landlord chooses to restore such improvements within a reasonable time and, if so restored, and both parties agree

in writing, this Lease shall continue in full force and effect. If then existing laws do not permit restoration, either party may terminate this Lease immediately by giving notice to the other party.

In case of damage there shall be an abatement of rent, between the date of the damage and the date of completion of restoration, based on the extent to which the damage interferes with Tenant's use of the Premises. If restorable damage to said improvements is due to the fault or neglect of Tenant, its agents, contractors, employees or invites, there shall not be an abatement or reduction of rent. Tenant shall be responsible for the cost of such required restoration or repairs caused by the fault or neglect of the Tenant, its agents, contractors, employees or invitees.

Landlord shall not be required to restore or replace any panels, decoration, office fixtures, railings, floor covering, partitions, or any other property installed in the Premises by Tenant. Tenant shall not be entitled to any compensation or damages from Landlord for loss of the use of the whole or any part of the Premises, Tenant's personal property, loss of revenue, or any inconvenience or annoyance occasioned by such damage or restoration.

9. SURRENDER OF PREMISES

At the expiration or earlier termination of this Lease, Tenant shall surrender to Landlord possession of the Premises. Tenant shall leave the Premises in good condition, except as may be specifically provided to the contrary in other provisions of this Lease. All property that Tenant is required to surrender shall become Landlord's property at the expiration or termination of this Lease. All property, including Tenant's personal property, that Tenant is not required to surrender but that Tenant abandons by leaving it on the Property for more than 10 days following the expiration or earlier termination of this Lease, shall, at Landlord's election, become Landlord's property at the expiration or termination of this Lease.

10. ENTRY BY LANDLORD

Landlord reserves and shall at any and all reasonable times have the right to enter common/shared areas of the Premises. Upon reasonable notice to Tenant, Landlord shall have the right to inspect common or leased areas of Premises, supply any services to be provided by Landlord to Tenant hereunder, to show the Premises to prospective purchasers or tenants, to post notices of non-responsibility, and to alter, improve, repair or restore the Premises as Landlord may deem necessary or desirable. Such entry shall not result in abatement of rent. For each of the aforesaid purposes, Landlord shall at all times have and retain a key with which to unlock all of the doors in, upon and about the Premises, excluding Tenant's vaults, cabinets, equipment, safes and files, and Landlord shall have the right to use any and all means which Landlord may deem proper to open said doors in an emergency, in order to obtain entry to the Premises without liability to Tenant except for any failure to exercise due care for Tenant's property. Any entry to the Premises obtained by Landlord by any of said means, or otherwise shall not under any circumstances be construed or deemed to be a forcible or unlawful entry into the Premises, or an eviction of Tenant from the Premises or any portion thereof.

11. RESERVATIONS

This Lease shall, at all times, be subject to such easements or rights-of-way for pipelines, conduits, and for telephone, light, heat or power lines, as shall have been duly established or as may from time to time be reasonably determined by Landlord.

This Lease is subsequent to and subject to all prior exceptions, reservations, grants, easements, leases or licenses of any kind whatsoever as the same appear on record in the office of the County Recorder, County of San Mateo, State of California, or in the official records of said County and of the various departments thereof. Tenant covenants not to disturb the quiet and peaceful enjoyment of any and all parties having any legal right, title, interest or privilege in and to the Premises and that the use of the Premises by Tenant shall at all times be conducted with proper regard for such rights, titles, interests and privileges.

It is specifically understood and agreed that any and all of the terms and conditions of this Lease are subordinate to all rights of the United States Government to use the Airport in times of war or national emergency.

12. CONSENT OF PARTIES

Whenever the consent, approval or permission of either party is required, that party shall not unreasonably delay or withhold such consent, approval or permission.

13. DEFAULT

13.1. Default by Tenant

The occurrence of any one or more of the following events shall constitute a material default and breach of this Lease by Tenant:

1. The vacating or abandonment of the Premises by Tenant. Failure to use or occupy the Premises for fifteen (15) consecutive days, without prior notice to the Landlord, shall be deemed a vacation or abandonment.
2. The failure by Tenant to make any payment of rental, or any other payment required to be made by Tenant hereunder, as and when due, where such failure shall continue for a period of ten (10) days after notice thereof by Landlord to Tenant.
3. The failure by Tenant to observe or perform any of the terms, covenants or conditions of this Lease to be observed or performed by Tenant, other than described hereinabove, where such failure shall continue for a period of thirty (30) days after notice thereof by Landlord to Tenant; provided, however, that if the nature of Tenant's default and breach is such that more than thirty (30) days are reasonably required for its cure, then Tenant shall not be deemed to be in default and breach if Tenant commences such cure within said thirty (30) day period and thereafter diligently prosecutes such cure to completion within ninety (90) days.
4. The making by Tenant of any general assignment or general arrangement for the benefit of creditors; or the filing by or against Tenant of a petition to have Tenant adjudged a bankrupt, or a petition or reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Tenant, the same is dismissed within sixty (60) days); or the appointment of a trustee or a receiver to take possession of substantially all of Tenant's personal property at the Premises or of Tenant's interest in

this Lease, where possession is not restored to Tenant within thirty (30) days; or the attachment, execution or other judicial seizure of substantially all of a Tenant's personal property at the Premises or of Tenant's interest in this Lease, where such seizure is not discharged within thirty (30) days.

13.2. Landlord's Remedies

In the event of any such default and breach by Tenant described hereinabove, Landlord may terminate Tenant's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Tenant shall immediately surrender possession of the Premises to Landlord. In the event Tenant shall have abandoned the Premises, Landlord shall have the option to either (1) take possession of the Premises and recover from Tenant the amount of rent owed, or (2) pursue any other remedy now or hereafter available to Landlord under applicable laws and judicial decisions.

14. INDEMNIFICATION AND INSURANCE

14.1. Hold Harmless

Tenant shall at all times relieve, indemnify, protect and hold harmless, Landlord, its officers, agents, employees, and servants from all claims, suits, or actions of every name, kind, and description resulting from the operation, maintenance, use, or occupation of the Premises and defects on the property in which the Landlord has no control; the acts or omissions of Tenant, its officers, agents, employees, servants, invitees or permittees; or the failure of Tenant, its officers, agents, employees, servants, invitees or permittees, to observe or abide by any of the terms, covenants and conditions of this Lease or any applicable federal, state, county or municipal law, rule, or regulation, brought for, or on account of, any of the following:

(A) injuries to or death of any person, including Contractor or its employees, officers, or agents;

(B) damage to any property of any kind whatsoever and to whomsoever belonging; or

(C) any other loss or cost, including but not limited to that caused by the concurrent active or passive negligence of County and/or its officers, agents, employees, or servants. However, Tenant's duty to indemnify and save harmless under this Section shall not apply to injuries or damage for which County has been found in a court of competent jurisdiction to be solely liable by reason of its own negligence or willful misconduct.

The duty of Tenant to relieve, indemnify, protect and hold harmless, as set forth hereinabove, shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

14.2. Fire Legal Insurance

Tenant at its sole cost shall maintain fire legal insurance on the Premises with a limit of at least One Hundred Thousand Dollars (\$100,000); with water damage and debris clean up provisions to be included. The insurance policy shall provide that any proceeds shall be made payable to Landlord.

14.3. Fire and Extended Coverage Insurance

Tenant at its cost shall maintain on the improvements that are a part of the Premises a policy of standard fire and extended coverage insurance, with vandalism and malicious mischief endorsements, to the extent of at least the replacement value of the improvements, which are a part of the Premises. The insurance policy shall be issued in the names of Landlord and Tenant as their interests appear. The insurance policy shall provide that any proceeds shall be payable to Landlord.

Tenant shall secure, and shall maintain at all times during the term of this Lease, insurance against damage or destruction by fire, windstorm, riot or civil commotion on Tenant's improvements at the Premises, if any, in the full amount of their replacement value, with such provision in the policies issued to cover the same, or in riders attached thereto, as shall provide for payment for losses thereunder sustained by Tenant; the proceeds of said policies to be held in trust by any reputable bank or trust company. Landlord shall release all proceeds from insurance policy.

14.4. Liability and Property Damage Insurance

Tenant at its cost shall maintain Comprehensive Liability insurance for the following coverages with the following limits insuring against all liability of Tenant and its authorized representatives arising out of and in connection with Tenant's use or occupancy of the Premises:

- (i) Airport Premises Liability with a minimum limit of \$1,000,000 Combined Single Limit (CSL) each occurrence; and
- (ii) All Comprehensive Liability insurance shall insure performance by Tenant of the Hold Harmless Sub-section of this Lease;
- (iii) Landlord shall be named as "additionally insured";
- (iv) All required insurance shall contain a Separation of Insureds or Severability of Interests provision; and
- (v) The policy shall not be cancelled or non-renewed unless the Landlord has received 30 days prior written notice. (Ten days prior notice in the event of cancellation for nonpayment of premium is acceptable). Written notice shall be sent to: County of San Mateo, Attn: Airport Manager, 620 Airport Drive, San Carlos, CA 94070.

14.5. Workers' Compensation and Employer's Liability Insurance

During the entire term of this Lease, Tenant shall have in effect Workers' Compensation coverage providing full statutory benefits and employer's liability in the minimum amount of \$1,000,000. In executing this Lease, Tenant makes the following certification:

I am aware of the provisions of Section 3700 of the California Labor Code, which require every employer (1) to be insured against liability for Workers' Compensation or (2) to undertake self-insurance in accordance with the provisions of the Code. I will comply with such provisions.

Miscellaneous Insurance Provisions

Tenant shall pay the premiums for maintaining the insurance required hereinabove. All the insurance required under this Lease shall:

- (i) Be issued by insurance companies authorized to do business in the State of California, with a financial rating of at least an AV status as rated in the most recent edition of Best's Insurance Reports. Coverage provided by State Fund Insurance shall satisfy this requirement.
- (ii) Be issued as a primary policy.
- (iii) Contain an endorsement requiring thirty (30) days' notice from the insurance company to both parties before cancellation or change in the coverage, scope, or amount of any policy.
- (iv) Landlord shall be named as "additionally insured" on each policy.

14.6. Certificate of Insurance

A certificate of insurance, together with evidence of payment of premium, shall be deposited with Landlord at the commencement of this Lease, and on renewal of the policy not less than twenty (20) days before expiration of each policy.

In the event Tenant fails to deliver the certificate of insurance verifying insurance coverage as required in this Section, Landlord shall have the option, after a ten (10) day notice to Tenant requesting a certificate, either (a) to terminate this Lease immediately thereafter with a notice to Tenant, or (b) to take out all or part of the required insurance and pay the premium thereon on behalf of Tenant. If Landlord opts to take out the insurance on behalf of Tenant, the cost of the premium paid by Landlord shall be deemed additional rent due and payable by Tenant with the next regular rent payment.

15. HAZARDOUS MATERIALS ACTIVITY

Tenant may not store, handle or generate hazardous materials/waste/underground tanks on the property unless Tenant has completed and filed a San Mateo County Hazardous Materials Release Response Plan and Inventory ("Business Plan") with the San Mateo County Environmental Health Department.

Hazardous material means any material that, because of its quantity, concentration, or physical or chemical characteristics, poses a significant present or potential hazard to human health and safety or to the environment if released into the work place or the environment. Hazardous materials include, but are not limited to, hazardous substances, hazardous waste, and any material which a handler or the administering agency has a reasonable basis for believing that it would be injurious to the health and safety of persons or harmful to the environment if released into the work place or the environment. Examples of such hazardous materials are, but are not limited to: waste oil, grease, solvents, gasoline and compressed gases.

If Tenant does store, handle or generate hazardous materials/waste, or operate an underground storage tank, Tenant must do so in compliance with all state and federal regulations regarding hazardous materials, including but not limited to, California Health and Safety Code, Chapters 6.5, Sections 25100-25249, California Code of Regulations Title 26 and Code of Federal Regulations Section 40 Parts 240-281. Tenant shall be in default hereunder in the event of Tenant's failure to (1) file the Business Plan, (2) follow the Business Plan, and (3) comply with applicable State and Federal statutes regarding the handling of hazardous materials/waste/underground tanks. In addition, Landlord may exercise any rights applicable under State and Federal law, in regard to requiring Tenant to be responsible for disposal or removal of the hazardous materials/waste/underground tanks in a safe manner.

If Tenant does not intend to and will not store, handle hazardous materials/underground tanks or general hazardous waste, then Tenant must complete and file a "Hazardous Materials Negative Response Form" to that effect with the San Mateo County Environmental Health Department. If, at any time during the term of this Agreement, Tenant commences activity that would involve the handling, storage or generation of hazardous materials/waste/underground tanks, Tenant must follow the directives set forth above.

16. COMPLIANCE WITH AIRPORT RULES AND REGULATIONS

Tenant agrees to comply with all San Mateo County and Airport ordinances, resolutions, rules and regulations, and at all times to cooperate with County in its operation and management of said airport, as amended from time to time. Tenant shall notify all users of its facilities of all applicable rules and regulations.

Tenant shall comply with the standard provisions for all leases of airport land promulgated by the Federal Aviation Administration, as set forth in the attached Exhibit B, and as those provisions may be revised from time to time.

Tenant shall notify all users of its facilities as to all applicable rules and regulations and require users to comply with them.

17. NON-ABROGATION OF UNITED STATES GOVERNMENT RIGHTS

The provisions of this Agreement in no way abrogate any rights vested in the United States of America relative to the airport as such rights exist between the United States of America and the County of San Mateo.

18. HOLDING OVER

If Tenant holds over after the expiration or earlier termination of the term hereof without the express written consent of Landlord, Tenant shall become a tenant at sufferance only, at the monthly rental rate of one hundred fifty per cent (150%) of the Base Rent in effect upon the date of such expiration and otherwise upon the terms, covenants and conditions herein specified, so far as applicable. Acceptance by Landlord of monthly payments after such expiration or earlier termination shall not constitute a holdover hereunder or result in a renewal. The foregoing provisions of this paragraph are in addition to and do not affect Landlord's right of re-entry or any other rights of Landlord hereunder or as otherwise provided by law.

19. ASSIGNMENT

Tenant shall not, either voluntarily or by operation of law, assign, transfer, mortgage, pledge, hypothecate or encumber this Lease or any interest therein, and shall not sublet the Premises or any part thereof, or any right or privilege appurtenant thereto, or suffer any other person (the employees, agents, servants and invitees of Tenant excepted) to occupy or use the Premises, or any portion thereof. A breach of this Section 19 shall be considered a breach by Tenant for purposes of Section 13.2 ("Landlord's Remedies").

If Tenant is a corporation, any dissolution, merger, consolidation, or other reorganization of Tenant, or the sale or other transfer of a controlling percentage of the capital stock of Tenant, or the sale of at least 51 percent of the value of the assets of Tenant, shall be deemed a voluntary assignment. The phrase "controlling percentage" means the ownership of, and the right to vote, stock possessing at least 10% of the total combined voting power of all classes of Tenant's capital stock issued, outstanding, and entitled to vote for the election of directors. This paragraph shall not apply to corporations the stock of which is traded through an exchange or over the counter.

20. SAN MATEO COUNTY NO SMOKING ORDINANCE

Tenant is aware that on April 18, 2006, the County of San Mateo modified its Ordinance Code, adopting Section 4.96.040, which prohibits smoking in all County facilities whether owned or leased. Tenant understands that said Ordinance authorizes County to enforce the provisions contained therein and Tenant agrees to enforce the provisions of said ordinance on the Premises.

21. OPERATION OF RADIO EQUIPMENT

Tenant shall not operate any radio equipment at the airport transmitting electronic signals, which might interfere with operations of the Airport Control Tower, UNICOM, County Radios or other electronic transmissions essential to the operation of the airport.

22. CLOSING OF TERMINAL BUILDING FOR MAINTENANCE AND CONSTRUCTION

Landlord may from time to time be required to close the Terminal Building for necessary maintenance or construction. Should any such closure of the Airport Terminal Building materially disrupt Tenant's ability to do business, Tenant shall be entitled to request fair compensation from Landlord for loss of the use of the whole or any part of the Premises, or loss of revenue. Fair compensation shall be mutually agreed to by County, and may include abatement or reduction of rent for the square footage area(s) of the Premises or common areas affected by any such maintenance or construction for the entire period that such areas are disrupted. Landlord shall provide Tenant written notice of any such closure, including the expected start time, duration and impact of said closure of the Premises or common areas. Notwithstanding the foregoing, Tenant shall not be entitled to any compensation from Landlord pursuant to this Section for any disruption to Tenant's business from Airfield operations or closures, or special events held at the Airport (e.g., Pacific Coast Dream Machines).

23. LAWS, RULES, REGULATIONS AND PERMITS

Tenant shall construct any improvements, use, maintain and occupy the Premises in compliance with all applicable laws, rules, and regulations. These include, but are not limited

to the applicable provisions of the Federal and State Occupational Safety and Health Act (OSHA), The Americans with Disabilities Act (ADA) and the Airport Rules and Regulations as amended from time to time (Exhibit B). Tenant shall ensure, at its sole cost, that the Premises complies with all applicable rules, regulations and codes prior to commencing restaurant operations. The cost for all permits, licenses, etc., shall be borne solely by Tenant.

Tenant shall comply with Chapter 4.106 of the San Mateo County Ordinance Code which regulates the use of disposable food service ware, Tenant shall comply with the following disposable food service ware requirements:

- a. Reusable food service ware in place of disposable food service ware for dine-in/sit-down customers.
- b. Reusable or compostable straws, stirrers, utensils, and cocktail/toothpicks.
- c. Compostable alternatives for the below disposable food service ware items:
 - a. Plates
 - b. Bowls (of all sizes including, but not limited to soup and salad bowls)
 - c. Cups (of all sizes including, but not limited to beverage cups and accessory cups for condiments)
 - d. Food trays
 - e. Clamshells, boxes and other containers used for take-out food and leftover “doggie bags”
 - f. Compostable disposable food service ware items listed above will need to be certified by Biodegradable Products Institute (BPI) or another independent third party approved by the County’s Office of Sustainability, in order to confirm that they breakdown in an industrial commercial composting facility and that they are free of all intentionally added fluorinated chemicals.

24. PERSONAL PROPERTY

Tenant's personal property shall include equipment, furniture, merchandise, and movable property placed in the Premises by Tenant, including trade fixtures. Trade fixtures include any property installed in or on the Premises by Tenant for purposes of trade, manufacture, ornament, or related use.

25. NOTICES

Any notice, demand, request, consent, approval, waiver, or communication that either party desires or is required to give to the other party or any other person shall be in writing and either sent by email from and to the email addresses set forth herein this section, served personally or sent by prepaid mail, and if given by mail shall be deemed sufficiently given when sent by registered or certified mail. Any notice, demand, request, consent, approval, waiver, or communication that either party desires or is required to give by mail to the other party shall be addressed to the other party at the address set forth herein this Section. Either party may change its address by notifying the other party of the change of address. Notice shall be deemed communicated within 48 hours from the time of mailing if mailed as provided in this Section.

LANDLORD: County of San Mateo
County Manager's Office, Real Property Division
Attn: Real Property Manager
555 County Center, 4th Floor
Redwood City, CA 94063
Phone: (650) 363-4047
dgrady@smcgov.org

With a copy to:

County of San Mateo
Department of Public Works, Airports Division
Attn: Airport Manager
620 Airport Drive
San Carlos, CA 94070
Phone: (650) 573-3700
gkelly@smcgov.org

and

Office of County Counsel
400 County Center, 6th Floor
Redwood City, CA 94063

TENANT: Thieves' Market, LLC
9850 Cabrillo Highway North
Half Moon Bay, CA 94019
Shoshana Wolff: (408) 431-1206, shoshana@allspicerrestaurant.com
Sachin Chopra: (408) 674-3725 sachin1chopra@gmail.com

26. LIENS

Tenant shall keep the Premises, free from any liens arising out of the work performed, materials furnished or obligations incurred by Tenant.

27. GENERAL PROVISIONS.

27.1. Compliance With Law

Tenant shall not use the Premises or permit anything to be done in or about the Premises which will in any way conflict with any law, statute, ordinance or governmental rule or regulation now in force or which may hereafter be enacted or promulgated. Tenant shall, at its sole cost and expense, promptly comply with all laws, statutes, ordinances and governmental rules, regulations or requirements now in force or which may hereafter be in force, and with the requirements of any board of fire insurance underwriters or other similar bodies now or hereafter constituted, relating to, or affecting the condition, use or occupancy of the Premises. The judgment of any court of competent jurisdiction or the admission of Tenant in any action against Tenant, whether Landlord be a party thereto or not, that Tenant has violated any law, statute, ordinance or governmental rule, regulation or requirement, shall be conclusive of that fact as between Landlord and Tenant.

27.2. Authority of Parties

- (i) Corporate Authority. If Tenant is a corporation, each party executing this Lease on behalf of the corporation represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of said corporation, in accordance with a duly adopted Resolution of the Board of Directors of the corporation or in accordance with the By-Laws of the corporation, and that this Lease is binding upon the corporation in accordance with its terms.
- (ii) Partnership. If Tenant is a partnership or other unincorporated association, each party executing this Lease on behalf of the partnership or other association represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of the partnership or association, in accordance with the partnership agreement or the agreement of said association.
- (iii) Authorized Lease Representative of the County of San Mateo. The County Manager, or the designee of the County Manager, shall be the only authorized agent of the County of San Mateo for purposes of giving any notices or exercising any rights, options, privileges or obligations of the County of San Mateo under this Lease. This Lease shall not be valid unless executed by the President of the Board of Supervisors of the County of San Mateo pursuant to a Resolution adopted in accordance with the California Government Code.

27.3. Other Terms

Clauses, plats, exhibits and riders, if any, initialed and dated by Landlord and Tenant and endorsed on or affixed to this Lease are a part hereof.

27.4. Waiver

The waiver by either party of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition on any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, other than the failure of the Tenant to pay the particular rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of the acceptance of such rent.

27.5. Joint Obligation

"Party" shall mean Landlord or Tenant; and if there be more than one Tenant or Landlord, the obligations hereunder imposed upon Tenants or Landlords shall be joint and several.

27.6. Successors and Assigns

The terms, covenants and conditions herein contained, subject to the provisions as to assignment, apply to and bind the heirs, successors, executors, administrators and assigns of the parties hereto.

27.7. Recordation

Neither Landlord nor Tenant shall record this Lease.

27.8. Prior Agreements

This Lease contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease, and no prior agreements or understanding pertaining to any such matters shall be effective for any purpose. No provision of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest. This Lease shall not be effective or binding on any party until fully executed by both parties hereto.

27.9. Inability to perform

This Lease and the obligations of Tenant hereunder shall not be affected or impaired because Landlord is unable to fulfill any of its obligations hereunder or is delayed in doing so, if such inability or delay is caused by reason of strike, labor troubles, acts of God, or any other cause beyond the reasonable control of Landlord.

27.10. Negation of Partnership

Landlord shall not become or be deemed a partner or a joint venture with Tenant by reasons of the provisions of this Lease.

27.11. Sale or Transfer of Premises

In the event of any sale or transfer of the Premises by Landlord, Landlord shall be and is hereby entirely freed and relieved of all liability under any and all of its covenants and obligations contained in or derived from this Lease arising out of any act, occurrence or omission occurring after the consummation of such sale or transfer; and the purchaser or transferee, at such sale or transfer or any subsequent sale or transfer of the Premises shall be deemed, without any further agreement between the parties or their successors in interest or between the parties or their successors in interest or between the parties and any such purchaser or transferee, to have assumed and agreed to carry out any and all of the covenants and obligations and agreed to carry out any and all of the covenants and obligations of Landlord under this lease.

27.12. Name

Tenant shall not use the name of the Premises or of the development, building or facility in which the Premises may be situated for any purpose other than as an address of the business to be conducted by Tenant in the Premises.

27.13. Cumulative Remedies

No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

27.14. Provisions, Covenants and Conditions

All provisions herein, whether covenants or conditions, on the part of either party shall be deemed to be both covenants and conditions.

27.15. Captions, Table of Contents

The captions and the Table of Contents of this Lease (if any) shall have no effect on the interpretation of this Lease.

27.16. Choice of Law

This Lease shall be construed, interpreted and governed in accordance with the laws of the State of California.

27.17. Brokers

Neither party has had any contact or dealings regarding the leasing of the Premises, or any communication in connection therewith, through any licensed real estate broker or other person who could claim a right to a commission or finder's fee in connection with the lease contemplated herein except as identified in the Basic Lease Information, whose commission, if any is due, shall be paid pursuant to a separate written agreement between such broker and the party through which such broker contracted. In the event that any broker or finder perfects a claim for a commission or finder's fee based upon any such contact, dealings or communication, the party through whom the broker or finder makes a claim shall be responsible for such commission or fee and shall Indemnify the other party from any and all Claims incurred by the indemnified party in defending against the same. The provisions of this Section shall survive any termination of this Lease.

27.18. Severability

If any provision of this Lease or the application thereof to any person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such provision to persons, entities or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each other provision of this Lease shall be valid and be enforceable to the fullest extent permitted by law.

27.19. Venue

The Venue for any court action to interpret or enforce this agreement or to litigate any claim arising out of this agreement shall be had in State Court of the County of San Mateo.

45. REMOVAL OF TENANT'S ABANDONED AND UNUSED MATERIALS

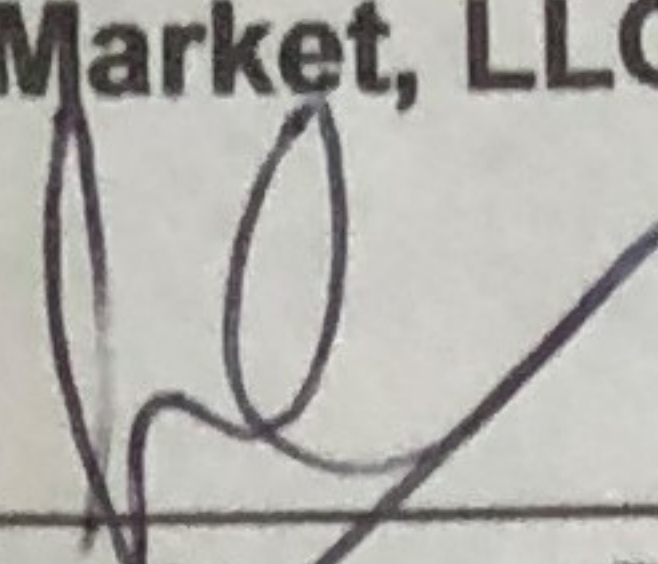
Tenant shall remove, at its expense, abandoned or unused improvements installed by the Tenant within ninety (90) days of said abandonment, non-use or written notification from Landlord. In the event Tenant fails to comply with this Section, Landlord may take possession of said improvements, and recover from the Tenant the cost of removing said improvements and restoring the property where said improvements were abandoned to the condition that existed prior to the construction, installation and/or depositing of said improvements.

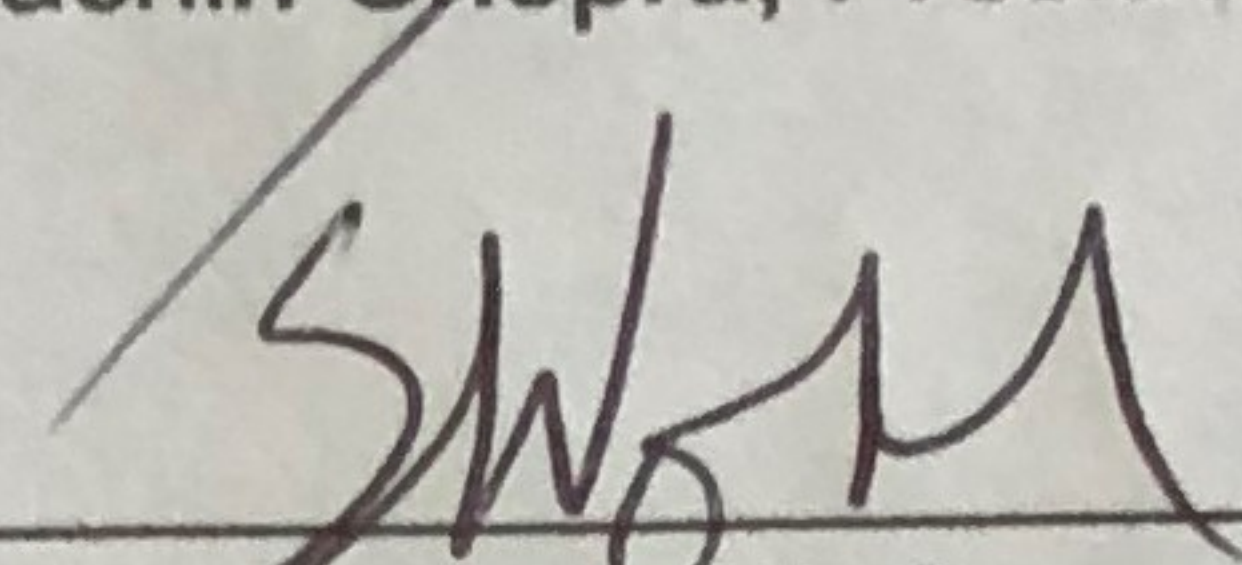
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IN WITNESS WHEREOF, County and Tenant have executed this Lease as of the date and year first above written.

TENANT

Thieves' Market, LLC

By: 
Sachin Chopra, President

By: 
Shoshana Wolff, Secretary

LANDLORD

**COUNTY OF SAN MATEO, a Political
Subdivision of the State of California**

By: _____
Carole Groom, President
Board of Supervisors

Resolution No. _____

ATTEST: _____
Clerk of said Board

EXHIBIT A
SITE PLAN OF PREMISES

Half Moon Bay Airport Terminal Building

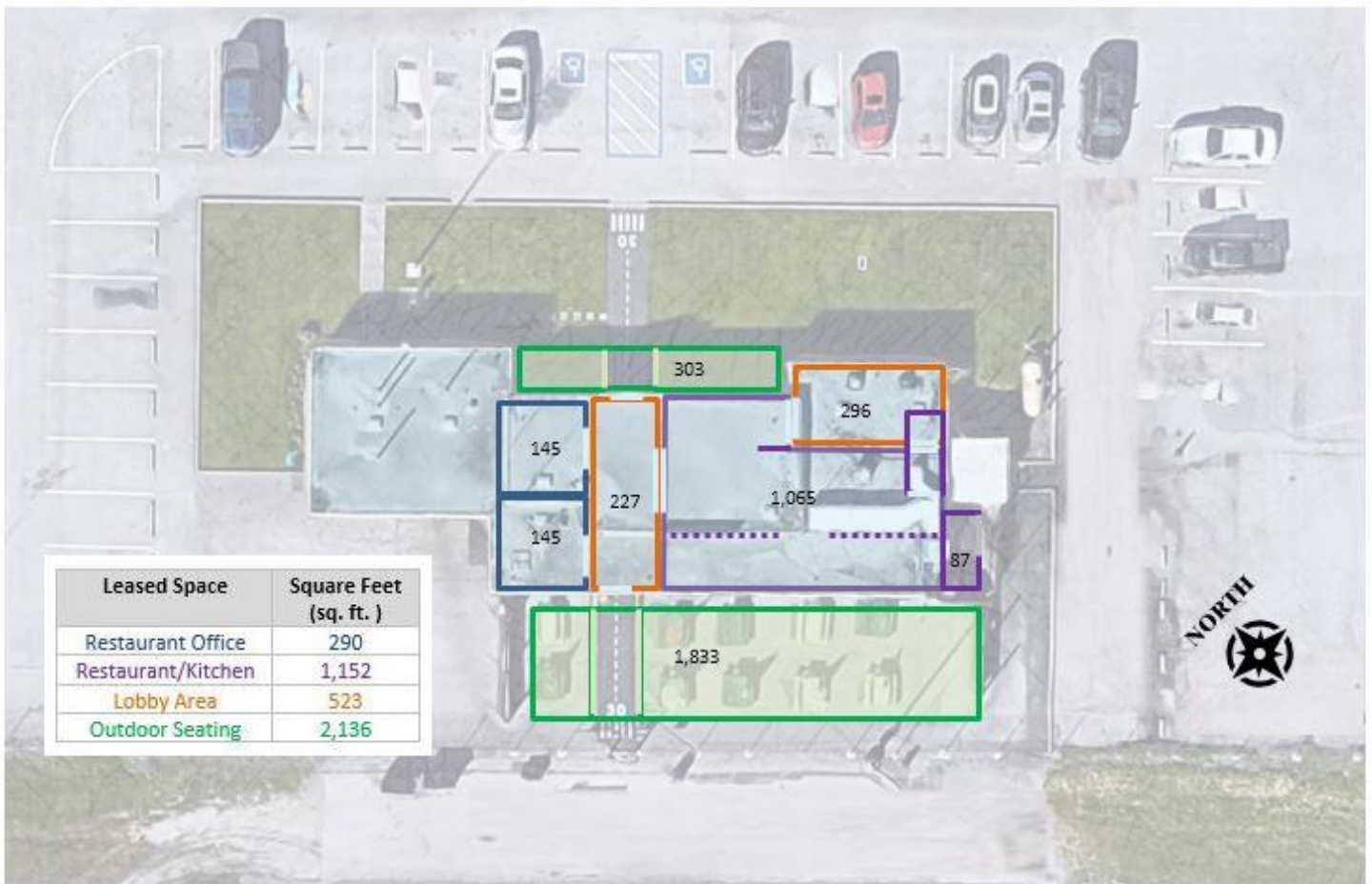


EXHIBIT B
STANDARD PROVISIONS FOR ALL LEASES,
USE, AND OTHER AGREEMENTS AND PERMITS
SAN MATEO COUNTY AIRPORTS

1. Tenant for itself, its heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree "as a covenant running with the land" that in the event facilities are constructed, maintained, or otherwise operated on the said property described in this lease, agreement or permit for a purpose for which a DOT program or activity is extended or for another purpose involving the provision of similar services or benefits, Tenant shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, DOT, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.
2. Tenant for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that: (1) no person on the grounds of race, sex, sexual orientation, color, national origin, religion, age or disability shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under the lands and furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination, (3) that Tenant shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, CFR, DOT, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.
3. In the event of breach of any of the above nondiscrimination covenants, Landlord may terminate the lease, agreement or permit and re-enter and repossess the land and the facilities thereon and hold them as if the lease, agreement or permit had never been made or issued. This provision does not become effective until the procedures of 49 CFR Part 21 are followed and completed, including expiration of appeal rights.
4. Tenant shall furnish its accommodations and/or services on a fair, equal and not unjustly discriminatory basis to all users and shall charge fair, reasonable and not unjustly discriminatory prices for each unit or service; provided that Tenant may make reasonable and nondiscriminatory discounts, rebates or other similar type of price reductions to volume purchasers.
5. Non-compliance with Provision 4 above shall constitute a material breach of the lease, agreement or permit. In the event of such non-compliance, Landlord may terminate this lease,

agreement or permit and the estate hereby created without liability thereof; or, at the election of Landlord or the United States either or both of these governments may judicially enforce the provision.

6. Landlord may further develop or improve the landing area of the airport as it sees fit, regardless of the desires or view of Tenant and without interference or hindrance.
7. Landlord may, but shall not be obligated to Tenant to, maintain and keep in repair the landing area of the airport and all publicly owned facilities of the airport. Landlord also may direct and control the activities of Tenant in this regard.
8. The lease, agreement or permit shall be subordinate to the provisions and requirements of any existing or future agreement between County and the United States relative to the development, operation or maintenance of the airport.
9. There is hereby reserved to Landlord, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the premises covered by the lease, agreement or permit. This public right of flight shall include the right to cause in this airspace any noise inherent in the operation of any aircraft used for navigation of flight through the airspace or to land at, take off from or operate on the San Carlos or Half Moon Bay Airport, as the case may be.
10. Tenant shall comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations if future construction of a building is planned for the premises covered by the lease, agreement or permit or in the event of any planned modification or alteration of any present or future building or structure on the premises.
11. Tenant, by accepting this lease, agreement or permit, expressly agrees for itself, its successors and assigns that it will not erect nor permit the erection of any structure or object nor permit the growth of any tree on any land leased that would be in conflict with the provisions of Part 77 of the Federal Aviation regulations. If these covenants are breached, County may enter upon the land and remove the offending structure or object and cut the offending tree, all of which shall be at Tenant's expense.
12. Tenant, by accepting this lease, agreement or permit, agrees for itself, its successors and assigns that it will not make use of the premises covered by the lease, agreement or permit in any manner which might interfere with the landing and taking off of aircraft from the airport or otherwise constitute a hazard. If this covenant is breached, County may enter upon the premises and cause the abatement of such interference at Tenant's expense.
13. Nothing contained in the lease, agreement or permit shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act of 1958 (49 U.S.C. 1349A).
14. The lease, agreement or permit and all its provisions shall be subject to whatever right the United States Government now has or in the future may have or acquire, affecting the control,

operation, regulation and taking over of the airport or the exclusive or non-exclusive use of the airport by the United States during the time of war or national emergency.

15. Tenant will conduct its programs and operate its facilities in accordance with the requirements of the Americans with Disabilities Act of 1992 and will assure that no qualified disabled person shall, solely by reason of his or her disability be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination, including discrimination in employment. Tenant will conduct its programs and operate its facilities in compliance with all the requirements imposed by or pursuant to 49 CFR Part 27.
16. Tenant shall insert the above provisions in any agreement, contract, permit, etc., by which it grants a right or privilege to any person, firm or corporation to render accommodations and/or services to the public on the premises covered by the lease, agreement or permit, and hereby assures that the above provisions will be included in any agreement, contract, permit granted or entered into by any contractor of the Tenant.

EXHIBIT C
SPECIAL REQUIREMENTS/CONDITIONS
TO AIRPORTS LEASE AGREEMENT

In the event of any conflict between any provision of the Lease and this Exhibit C, the Lease provision shall prevail.

1. SAFETY

Safety shall be paramount at all times. Tenant shall ensure that its agents, employees and customers safely coordinate all movements and activities on the airport to the satisfaction of the County. Tenant shall ensure that its operations and activities comply with local, state and federal requirements and are in accordance with safe and acceptable practices and procedures.

2. LICENSES AND CERTIFICATIONS

Tenant shall obtain all required licenses, certifications, permits, approvals and authorizations from all appropriate agencies for work performed and activities conducted under this permit.

3. STORAGE OF EQUIPMENT AND MATERIALS

Unless otherwise authorized herein, Tenant shall not store equipment, materials, pallets, boxes, etc. on the airport other than in designated storage areas or buildings as approved by the County.

Tenant shall keep all walkways and staircases free of clutter, trash, contaminants or any other personal items and equipment.

4. REPAIRS

Tenant shall repair, at its own expense, any and all damage to the property of the County or to the property of others on the Airport, and damage which has been caused by Tenant, its agents or customers who may be on the Airport for any purpose connected with the Tenant's business.

5. STORMWATER COMPLIANCE

The County has obtained a National Pollutant Discharge Elimination System ("NPDES") Permit from the Regional Water Quality Control Board, San Francisco Bay Region ("RWQCB"), regarding stormwater discharge from the Airport, which includes stormwater discharge and runoff from the Airport. Without limitation of any other obligation of Tenant hereunder, Tenant shall comply with all laws, rules, regulations, requirements, administrative orders and/or programs imposed upon Tenant or County by the RWQCB or any other governmental entity, regarding runoff and stormwater discharge on the Airport. Tenant shall pay any cost that County incurs to take any compliance action on the Airport as a result of Tenant's failure to comply with such laws, regulations, requirements, administrative orders and/or programs. Tenant shall also pay, to the extent caused by Tenant's business on the Airport, County's costs to take any compliance action imposed upon County by the RWQCB or any other governmental entity.

Nothing in this section shall be interpreted as a waiver of any NPDES permits required by the RWQCB for activities not covered by the County's permit.

6. DISCHARGE OF CONTAMINANTS

Tenant, its agents and customers shall at no time discharge any hazardous material or substance onto the Airport. Waste oil and other contaminants shall be properly disposed of and at no time

shall the Tenant use the waste oil tanks the County has provided for the non-commercial use of airport tenants.

7. SECURITY/ACCESS

Airport security shall be maintained at all times. Tenant shall take all reasonable steps to restrict unauthorized access onto airport property and the Airport Operations Area (AOA), including controlling, if necessary, thoroughfare access through the Premises. All access and security procedures shall be coordinated with and approved in advance by the County. Tenant shall ensure that all gates remain closed and locked at all times and that any mechanical problems with the gates are promptly reported to the County.

8. SIGNAGE AND WINDOWS

No permanent banners or signs of any kind may be installed or displayed outside on the airport without the written approval of the County. All signage shall comply with applicable Local and County requirements. Signs and banners installed without the written approval of the County will be removed and disposed of at Tenant's sole cost and expense.

Tenant shall be limited to two (2) exterior signs. One sign is permitted on the air side of the terminal building and another on the ground side of the terminal building. Each sign shall be mounted securely to the building above the Tenant's entrance doors and in a location and position pre-approved by the Airport Manager. Appropriate signage may also be added to the doors of the Premises. All draft styles, materials, size, proposed locations and installation methods of all new and replacement signage and doors shall be approved in advance by the Airport Manager and conform to all requirements herein.

9. HOUSEKEEPING

Tenant shall collect and remove from the airport all debris, trash, garbage, or other rubbish generated by Tenant, its agents or customers who may be on the Airport for any purpose connected with the Tenant's operation.

Tenant shall regularly dispose of pallets, crates and other shipping supplies at its facility. Tenant shall not dump waste or refuse on airport property or in facilities leased by another Tenant or vendor.

10. TRASH AND RECYCLING REMOVAL

Tenant shall dispose of recyclable materials in County provided recycling receptacles or, if Tenant has set-up its own recycling program, through Tenant's own receptacles. Tenant shall not dispose of trash or place other non-recyclable materials in the recycling receptacles. To the extent possible, Tenant shall not dispose of recyclable materials in dumpsters or other trash receptacles.

Dumpsters and other trash and recycling receptacles may not block or obstruct in any way hangars or taxiways.

11. OPERATIONS

The County shall approve all operations and activities. Tenant shall take all reasonable steps to ensure that its operations and activities create minimal impact and inconvenience to the airport and other airport users. Tenant shall not block or obstruct roads or access routes at any time.

12. AFTER HOURS USE

Tenant shall have the right, but not the obligation, to permit the after-hours use of the interior portions of the Premises for meetings and other approved activities. Such use shall be at Tenant's sole expense and liability. Such use shall not interfere with Airport or Aviation related uses. Such use shall comply with Security and Access of this Exhibit. Tenant agrees to allow the County of San Mateo and Half Moon Bay Airport Pilots Association to use, after hours, the interior areas of the Premises or a portion thereof for special events and meetings. Landlord agrees to cover any direct costs associated with Landlord's use of the interior Premises. Furthermore, Landlord agrees to coordinate the scheduling of the Airport Pilots Associations use of the interior areas of the Premises with Tenant, prior to the Association using the Premises.

13. PLUMBING STOPPAGE

Tenant shall be responsible for costs associated with the repair of plumbing stoppages or "backups" or damage to the terminal building's sewer or septic system if any oil, grease or other contaminant from Tenant's operations are the cause or contributing factor to the stoppage or damage. Tenant shall provide regular maintenance of the pretreatment systems, including yearly cleaning by a licensed commercial plumbing contractor.

14. NON-EXCLUSIVE AREAS

Tenant shall have non-exclusive use of the Lobby Area, Outside Seating Area and Restroom Area as depicted in Exhibit A (Site Plan of Premises). Tenant is responsible for the cleaning and maintenance of all structures, trade fixtures, fixtures and equipment in these areas. These areas shall remain clear of all obstructions, trade fixtures and equipment unless approved in writing by the Landlord. The interior walls of the lobby area are reserved for Landlord purposes. Use by Tenant of interior walls to hang, display or exhibit photographs, art or other visual objects must be approved in writing by Landlord.

At any time during the Term, in the event it is necessary to replace or repair any fixtures/equipment in these areas, Tenant shall replace with the same fixtures/equipment installed by Landlord existing at the commencement of the Lease. Fixtures/equipment installed by Tenant not complying with this section shall be removed and replaced by Landlord at Tenant sole expense.

Initial _____

EXHIBIT D

Minimum Standards for Janitorial Services

AREAS TO BE SERVICED	FREQUENCY
Entrance/lobby area	3 x/week
Terminal restrooms	3 x/week
Outside walkways	1 x/week
Windows	1 x/week
BASIC SERVICES	FREQUENCY
Inspect front and rear of building for debris	3 x/week
Spot clean light switches, walls, doors, doorframes, and vertical surfaces	3 x/week
Clean visible horizontal surfaces	3 x/week
Dispose of waste and install new liners, if necessary	3 x/week
Remove recycling, place in proper bins	3 x/week
Clean and disinfect sinks	3 x/week
Wipe down windowsills	1 x/week
Clean/wash all interior and exterior walk off mats	1 x/week
Clean all exterior walkways	1 x/week
Dust picture frames and light fixtures	2 x/week
Dust baseboards and chair bases	1 x/month
Thoroughly clean any/all window coverings	4 x/year
Clean air grills	2 x/week
Remove cobwebs	As needed
Clean inside/outside of waste and recycling receptacles	As needed
Replace light bulbs	As needed
HARD SURFACE FLOORS	FREQUENCY
Sweep all traffic areas	3 x/week
Replace all moved furniture	3 x/week
Spot mop all areas	3 x/week
Sweep corners, edges and non-traffic areas	1 x/week
Thoroughly mop all areas	1 x/week
Wash painted wall surfaces (recommend continuous spot-cleaning)	4 x/year
RESTROOMS	FREQUENCY
Spot clean vertical surfaces: walls, doors	3 x/week
Wipe down horizontal surfaces:	3 x/week
Detail: door handles, kick plates and light switches	3 x/week
Clean and disinfect toilets and urinals (inc. base and rear)	3 x/week
Polish all fixtures	3 x/week
Clean all mirrors	3 x/week

Dispose of waste and install new liners	3 x/week
Spot clean and/or shine any waste receptacles	3 x/week
Dust partitions and ledges	3 x/week
Low dusting: baseboards, toilet bases and beneath sinks	3 x/week
Wet mop hard surface and paper disposables	3 x/week
High dusting: air grills, ceiling fixtures	3 x/week

WINDOWS AND GLASS

FREQUENCY

Spot clean entrance way door glass and windows	3 x/week
Spot clean glass mirrors/lobby/picture frame glass	3 x/week
Thoroughly clean entry windows	1 x/week
Thoroughly clean exterior windows, inside and out	1 x/week

SECURITY AND COMMUNICATION

Make sure all windows and doors are locked	7 x/week
Disarm/arm security system	7 x/week
Complete punch list and check communication log	3 x/week

MATERIALS AND EQUIPMENT

Tenant provides all cleaning supplies and equipment, including, but not limited to restroom (septic system appropriate) paper products and liners.